

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Nitto Denko Corporation, Plaintiff, v. Hutchinson Technology, Inc., Defendant.	Case No. 18-cv-01669 (SRN/LIB) PLAINTIFF'S STATEMENT OF THE CASE
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Pursuant to paragraph 3 of the Court's October 4, 2018 Pretrial Notice and Order (ECF 155), Plaintiff Nitto Denko Corporation ("Nitto") submits this Statement of the Case.

A. Nitto's Statement of Facts

1. Commencement of this Action

In June 2016, Nitto filed this lawsuit against Hutchinson Technology Inc. ("HTI")—part of the family of companies owned by the Japanese company TDK Corporation—in the District of New Jersey, claiming that HTI infringed six patents related to flexures. *Nitto Denko Corp. v. Hutchinson Technology Inc.*, 16-cv-3595 (D.N.J.). HTI moved to dismiss/transfer in the fall of 2016, and Nitto voluntarily agreed to transfer this matter to this Court after three subsequent and significant

changes in the law concerning proper venue in patent cases.¹ At that time, the U.S. District Court for the District of New Jersey transferred the matter pursuant to the parties' joint request.

Nitto filed an amended complaint on July 16, 2018. On August 29, 2018, HTI filed its answer to the amended complaint and counterclaims seeking declarations that Nitto's patents are invalid and not infringed by HTI. (ECF 152.)

2. The Collateral Action

Meanwhile, on June 12, 2017, HTI filed a 10-patent lawsuit in this District, *Hutchinson Technology, Inc. v. Nitto Denko Corporation and Nitto, Inc.*, Case No. 17-cv-1992 (SRN/LIB). Nitto filed a motion to dismiss or transfer that action for lack of jurisdiction and/or proper venue (ECF 34), which they refiled on August 17, 2018 per the Court's order, ECF 94, ¶¶ 2, 4. The hearing on Nitto's motion is set for October 26, 2018, before U.S. District Judge Susan R. Nelson.

Between May and July 2018, Defendants petitioned for U.S. Patent & Trademark Office's ("USPTO") *inter partes* review ("IPR") for every one of the ten asserted patents, given their facial invalidity in light of the prior art. Nitto filed a motion to stay the case pending the *inter partes* review, which the Court denied without prejudice in its September 19, 2018 Order.

¹ See *TC Heartland LLC v. Kraft Foods Group Brands LLC*, 581 U.S. ____ (2017); *In re Cray Inc.*, 871 F. 3d 1355 (Fed. Cir. 2017); *In Re ZTE (USA) Inc.*, 890 F. 3d 1008 (Fed. Cir. 2018).

3. Facts Supporting Nitto's Claims

Nitto is the market leader in researching and developing “flexures.”

“Flexures” are tiny flexible printed circuits that serve as a component of hard disk drives. They are thin metal strips that conduct data between the disk drive’s magnetic head (which reads and writes information onto the disk) and the disk drive’s circuit board. A flexure is mounted on a suspension, which is a metal beam that supports the magnetic head as it hovers over the disk. The flexure is the highest value-added component of a suspension.

Nitto is one of three flexure suppliers, and is the market leader in researching and developing flexures. Its main customers are suspension manufacturers, who in turn sell their suspensions up the supply chain until eventually an entire disk drive is completed.

Unlike Nitto, which makes just flexures, HTI designs, manufactures, uses, markets, imports into the United States, sells, and offers for sale in the United States suspension assemblies incorporating “flexures” for hard disk drives. HTI has struggled to keep pace with market demand for increased precision in flexure technology, causing one customer to specifically request that HTI purchase flexures from Nitto to incorporate in HTI’s suspension assemblies. Instead of purchasing Nitto’s flexures, HTI turned to patent infringement to meet its customer’s demands. HTI is willfully and deliberately making, using, and selling flexures by infringing on Nitto’s patented technology. This includes Nitto’s technology for:

- novel and strengthened flexure terminals for connections to magnetic heads and hard drive circuitry (U.S. Patent No. 6,841,737, entitled “Wired circuit board”);
- novel wiring patterns for the wiring traces in high-density disk drive flexures for reducing impedance of wiring patterns (U.S. Patent No. 7,923,644, entitled “Printed circuit board and method of manufacture the same”);
- novel designs for “reference holes” in a flexure, used for more accurately positioning a magnetic head (U.S. Patent No. 8,692,126, entitled “Wired circuit board and producing method thereof”);
- a novel configuration for lead wires in a flexure for reducing an electrical signal’s “blunt waveform” without increasing manufacturing cost (U.S. Patent No. 8,895,870, entitled “Printed circuit board and method of manufacture the same”);
- a novel flexure production method, controlling the variation in thickness at low cost (U.S. Patent No. 7,007,379, entitled “Production method of printed circuit board”); and
- a novel design of a suspension board assembly sheet with flexures, for preventing the assembly sheet from being warped in the manufacturing process. (U.S. Patent No. 8,658,906, entitled “Printed

circuit board assembly sheet and method for manufacturing the same).”

In addition to its direct infringement, HTI also induced and contributorily caused its customers to infringe these patents.

C. Itemization/Explanation of Claimed Damages.

Nitto seeks a judgment declaring that HTI has willfully and deliberately infringed its patents in violation of 35 U.S.C. § 271. It also seeks damages and enhanced damages, pre-judgment and post-judgment interest, costs and disbursements, and its reasonable attorney fees pursuant to 35 U.S.C. § 285. Moreover, Nitto requests an order enjoining HTI further infringement or, alternatively, an ongoing royalty.

At this early stage of the litigation, it is difficult to put a precise dollar amount on the damages sought.

Dated: October 18, 2018.

Respectfully submitted,

s/ Sybil L. Dunlop

Robert J. Gilbertson (# 22361X)

Jeanette M. Bazis (# 255646)

Sybil L. Dunlop (# 390186)

GREENE ESPEL PLLP

222 South Ninth Street, Suite 2200

Minneapolis, MN 55402

BGilbertson@GreeneEspel.com

JBazis@GreeneEspel.com

SDunlop@GreeneEspel.com

(612) 373-0830

Alex V. Chachkes
Matthew Bush
ORRICK, HERRINGTON & SUTCLIFFE LLP
51 West 52nd Street
New York, NY 10019-6142
achachkes@orrick.com
mbush@orrick.com
(212) 506-3748

Anri Nakamoto
ORRICK, HERRINGTON & SUTCLIFFE LLP
Izumi Garden Tower, 28th Floor
6-1 Roppongi 1-Chome
Minato-ku, Tokyo, 106-6028
Japan
anakamoto@orrick.com
+81 3 3224 2089

*Counsel for Nitto Denko Corporation
and Nitto, Inc.*